
DOLLARS, NOT SENSE:

GOVERNMENT CONTRACTING UNDER THE BUSH ADMINISTRATION

COMMITTEE ON GOVERNMENT REFORM, MINORITY STAFF, SPECIAL INVESTIGATIONS DIVISION
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NEW FINDINGS

Dollars, Not Sense: Government Contracting under the Bush Administration is the first comprehensive assessment of procurement spending by the Bush Administration. The 65-page report is based on a review of over 500 government audits and contracting reports.

The report contains several important new findings, including the following:

- Between 2000 and 2005 the value of federal contracts increased by 86%, from \$203 billion in 2000 to \$377.5 billion in 2005. This growth in contracting was over five times faster than the overall inflation rate and almost twice as fast as the growth in other discretionary federal spending over this period.
- As a result of the rapid growth in procurement spending, nearly 40 cents of every discretionary federal dollar now goes to private contractors, a record level.
- Federal procurement spending is highly concentrated on a few large contractors, with the five largest federal contractors receiving over 20% of the contract dollars awarded in 2005. Last year, the largest federal contractor, Lockheed Martin, received contracts worth more than the total combined budgets of the Department of Commerce, the Department of the Interior, the Small Business Administration, and the U.S. Congress.
- The fastest growing contractor under the Bush Administration has been Halliburton. Federal spending on Halliburton contracts increased over 600% between 2000 and 2005.
- The value of sole-source and other noncompetitive contracts awarded by the Bush Administration has increased at an even faster rate than overall procurement spending, rising by 115% from \$67.5 billion in 2000 to \$145 billion in 2005. As a result, 38% of federal contract dollars were awarded in 2005 without full and open competition, a significant percentage increase from 2000.

The report also contains the first government-wide estimate of the number and value of "problem contracts" under the Bush Administration. The report identifies 118 contracts worth \$745.5 billion that have experienced significant overcharges, wasteful spending, or mismanagement over the last five years. In the case of each of these 118 contracts, reports from GAO, the Defense Contract Audit Agency, agency inspectors general, or other government officials have linked the contract to major problems in costs, administration, or performance.